



Telecom Decision CRTC 2015-290

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CISC Business Process Working Group – Non-consensus report BPRE089a regarding the standard billing and collection agreement

*The Commission **approves** the consensus items in CRTC Interconnection Steering Committee (CISC) Business Process Working Group (BPWG) non-consensus report BPRE089a regarding the BPWG’s proposed changes to the standard billing and collection agreement. These changes relate to (i) a revised definition for directory assistance calls, (ii) the key billing information for billing records, (iii) the allowable time frame for service providers to submit billing requests to billers, and (iv) the inclusion of the 900 consumer safeguards established in Telecom Decision 2005-19. With respect to the non-consensus items, the Commission **clarifies** the scope of message telephone service and the application of the consumer safeguards to pay-per-call services that do not make use of 1-800-type numbers. The Commission’s determinations will help to reduce customer confusion and complaints concerning questionable charges included on customers’ monthly bills.*

Introduction

1. On 7 November 2014, the CRTC Interconnection Steering Committee (CISC) Business Process Working Group (BPWG) submitted to the Commission the following non-consensus report:
 - *Billing and Collection Issues*, 15 October 2014 (BPRE089a)
2. The report can be found in the “Reports” section of the BPWG page, which is available in the CISC section of the Commission’s website at www.crtc.gc.ca.
3. In the report, the BPWG proposed changes to the standard billing and collection (B&C) agreement. The BPWG indicated that the proposed changes were intended to address issues that were initially raised by Bell Canada with respect to third-party charges eligible for inclusion on customers’ telephone bills.
4. The BPWG was able to reach consensus on (i) a revised definition for “directory assistance calls,” (ii) the key billing information for billing records, (iii) the allowable time frame for service providers to submit billing requests to billers,

and (iv) the inclusion of the 900¹ consumer safeguards established in Telecom Decision 2005-19. However, the BPWG did not reach consensus on a recommendation related to a revised definition for “message telephone service” in the B&C agreement.

5. The BPWG therefore requested that the Commission approve the above-mentioned consensus items and review the definition of “message telephone service” to clarify its scope. The BPWG also asked the Commission to clarify the application of the consumer safeguards established in Telecom Decision 2005-19² to pay-per-call services that do not make use of 1-800-type numbers (i.e. numbers pre-fixed with 1-800, 1-844, 1-855, 1-866, 1-877, and 1-888).

Background

6. The Commission first mandated the B&C service in Telecom Decision 92-12 to allow alternate long distance service providers to include, on incumbent local exchange carriers’ (ILECs) end-customers’ telephone bills, charges for long distance services that they provided to these customers. The Commission extended this mandate to competitive local exchange carriers when it introduced local competition through Telecom Decision 97-8. Local exchange carriers (LECs) must enter into B&C agreements with alternate long distance service providers that provide certain eligible services (i.e. message telephone, conference call, 900, directory assistance, and payphone call services) to the LECs’ subscribers, upon request by the alternate long distance service provider. The B&C service therefore encourages competition by enabling (i) competitors to access the complex B&C systems of LECs, and (ii) consumers to use the telecommunications services provided by different service providers without having to change their primary telephone company.
7. In May 2013, Bell Canada (later followed by other parties) indicated to the BPWG that it had been experiencing an increasing number of customer complaints, along with reports from websites and other service providers, indicating that customers are accepting what they considered to be questionable services, and are surprised and confused when payment is requested for these services under the B&C portion of their telephone bills. Bell Canada provided examples of related scenarios, including the following:
 - a customer purchases goods and services through websites, and their telephone number is used for billing purposes instead of normal payment methods such as credit cards or other online payment services;

¹ 900 service enables callers to 1-900 telephone numbers to access pay-per-call live and pre-recorded services including horoscope, gaming, donation processing, sports score, weather forecast, translation, medical, legal, and government services.

² In that decision, among other things, the Commission prohibited the practice of linking toll-free numbers with 1-900 numbers.

- a customer is solicited by telephone to receive technical assistance for computer repairs, and their telephone number is used for billing purposes; and
- a customer dials a toll-free number (often, a toll-free number that was formerly associated with a large business, such as a credit card company),³ the call is handled by a recorded message indicating that the number is not valid and that the caller can obtain the valid number by pressing 1 to reach an operator, and a charge appears on the customer's bill not for the toll-free number that was dialed but rather for the conversion number⁴ of the toll-free call.

Should the Commission approve the four consensus items?

Directory assistance

8. The BPWG proposed to amend the definition of directory assistance calls in the B&C agreement to exclude calls that have been redirected from their intended destination to a directory assistance service. This will help to ensure that customers are not charged for services they did not expressly request.
9. The Commission considers that the proposed change is appropriate and that it should reduce associated customer confusion and complaints. The Commission therefore **approves** this consensus item.

Billing records

10. To eliminate the current practice by some service providers of modifying B&C call records to make certain calls appear as eligible standard voice calls even though they are not, the BPWG recommended that the B&C agreement be modified to clearly define the required content of key billing information (i.e. the actual 10-digit telephone number of the call originator, the telephone number dialed, and the telephone number billed as recognized by the call originator and the billed party).
11. The Commission considers that the proposed change is appropriate and that it should reduce or eliminate use of the regulated B&C service for ineligible calls. The Commission therefore **approves** this consensus item.

³ Toll-free service enables consumers to make long distance calls without incurring long distance charges. The receiving party pays for the calls.

⁴ When a toll-free number is dialed, the toll-free service provider converts the number to a regular 10-digit telephone number to route the call through its network and deliver the call to the receiving party.

Time frame for billing calls

12. Under the current B&C agreement, a service provider may submit a billing record to the biller up to 120 days from the date of a call. When records are received late in this time frame, there is a high likelihood of customer complaints and billing disputes, as well as an increased risk of the intended billed party no longer being a customer of the biller. The BPWG therefore recommended that the eligible time frame for service providers to submit a request to billers to bill calls be reduced from 120 days to 90 days.
13. The Commission considers that the proposed change is appropriate and that it should reduce customer complaints and billing issues. The Commission therefore **approves** this consensus item.

900 consumer safeguards

14. The BPWG recommended that the B&C agreement be modified to include the responsibilities of 900 service providers regarding compliance with the 900 service consumer safeguards set out in Telecom Decision 2005-19. The BPWG recommended that these safeguards be added as a schedule to the B&C agreement.
15. In Telecom Decision 2006-48, the Commission determined that the consumer safeguards for 900 service should be of general application and cover all 900 service providers and 900 service content providers, as well as all relationships between 900 service providers, 900 service content providers, LECs, and clearing houses that involve 900 service.
16. Including the 900 consumer safeguards in the B&C agreement would help promote compliance by 900 service providers with these safeguards and would remind these service providers that the safeguards are contractually binding. The 900 consumer safeguards to be included in the B&C agreement are those listed in Appendix A to Telecom Decision 2006-48. The Commission considers it appropriate for the BPWG to revise the text in the B&C agreement regarding the 900 consumer safeguards by modifying the wording used in Appendix A to Telecom Decision 2006-48, such that the consumer safeguards are written in a general nature instead of being ILEC-specific.
17. As such, the Commission **approves** this consensus item, and requests that the BPWG submit another report, within **three months** of the date of this decision, with its proposed text regarding the 900 consumer safeguards for inclusion in the B&C agreement.

Should the Commission approve the proposed revised definition for “message telephone service” in the B&C agreement?

18. The majority of BPWG participants (the majority parties) submitted that the B&C service supports alternative billing for standard voice communications calls and

not the use of LEC telephone bills as an alternative to credit cards, online payment services, and other means of purchasing goods and services. The majority parties further submitted that the B&C service was also not meant for non-900 pay-per-call services, and non-telecommunications services such as online advertising or other general purchases. They indicated that companies that provide access to pay-per-call services should use 1-900 numbers, not toll-free or local 10-digit numbers, to ensure that callers have access to associated call-blocking options and consumer safeguards. The majority parties therefore proposed that the definition for “message telephone service” in the B&C agreement be amended accordingly.

19. The minority parties argued that eligible services can be provided on all bill types and that imposing any restrictions on eligible services would change the current definition of these services. The minority parties added that alternative means may be used to provide access to pay-per-call services, and that the B&C service could be used for these services as long as (i) the bill record reflects the proper routing of the call, and (ii) the consumer was given the associated rate and service information.

Commission’s analysis and determinations

20. The pay-per-call services offered through 1-900 numbers must comply with the various conditions set out in the applicable consumer safeguards. Charges for compliant services may be billed and collected under the call type heading of “900 Service Calls.” The regulated B&C agreement establishes no requirement for 900-like services to be provided through 1-900 numbers. 900-like service content can be offered through alternate means, for example, through toll-free 800 services (coupled with either credit card billing or prepaid subscription services). However, the B&C agreement establishes no requirement for LECs to provide B&C service for 900-like services that do not involve the use of 1-900 numbers.
21. Regulated access to the B&C service, which is a mandated wholesale service, is limited to charges for the eligible telecommunications services defined in the B&C agreement. The B&C agreement is limited to charges for standard voice communications calls. Accordingly, charges for services other than these calls are not captured by the B&C agreement, and LECs are under no requirement to bill and collect such charges.

Conclusion

22. The Commission **clarifies** that LECs are not required to bill and collect charges for 900-like pay-per-call services that do not involve the use of 1-900 numbers, or for services other than standard voice communications calls. Accordingly, the Commission **approves** the majority parties’ proposed revised definition for “message telephone service” in the B&C agreement.

Should the Commission’s prohibition on linking toll-free calls with 1-900 numbers apply to pay-per-call services that do not make use of 1-800-type numbers?

23. The majority parties submitted that the consumer safeguards for 900 service set out in Telecom Decision 2005-19 prohibit the linking of toll-free calls with 1-900 numbers to avoid situations where callers believe that they are making toll-free calls when they are actually being routed to pay-per-call services. However, some BPWG participants provided examples of situations where local telephone numbers, rather than 1-900 numbers, are used to provide pay-per-call services. These parties argued that it is not clear whether the Commission intended for “toll-free calls” to include local calls.
24. The BPWG therefore requested that the Commission clarify whether the above-mentioned prohibition applies only to calls to 1-800-type numbers or also to calls to local telephone numbers.

Commission’s analysis and determinations

25. In Telecom Decision 2005-19, the Commission prohibited the following practices by telecommunications service providers:
 - using toll-free numbers for pay-per-call services, unless the caller has a pre-existing agreement with the company or the call is charged to a credit card;
 - connecting callers directly from a toll-free number to a 1-900 number; and
 - collecting callbacks by 900 service content providers in cases where the customer has dialed a toll-free number first.
26. Although in the proceeding leading to Telecom Decision 2005-19, the term “toll-free” was not specifically correlated to 1-800-type numbers, the telecommunications industry generally understands “toll-free calls” to mean calls to these numbers. Such an understanding is reflected in various Commission decisions in which there is a distinction between “toll-free” and local calls.⁵ Accordingly, the Commission **clarifies** that the existing prohibition on linking toll-free calls with 1-900 numbers applies only to pay-per-call services accessed through 1-800-type numbers.

Conclusion

27. The Commission requests that the BPWG submit, within **three months** of the date of this decision, another report that reflects the Commission’s determinations

⁵ See for example Telecom Decisions 97-19 and 2015-244.

in this decision, including (i) an amended B&C agreement, and (ii) the BPWG's proposed text regarding the 900 consumer safeguards.

Secretary General

Related documents

- *Northwestel Inc. – Toll-Free Origination Service*, Telecom Decision CRTC 2015-244, 9 June 2015
- *MTS Allstream and Bell Canada – Part VII applications regarding 900 service*, Telecom Decision CRTC 2006-48, 3 August 2006
- *900 service – Agreements and consumer safeguards*, Telecom Decision CRTC 2005-19, 30 March 2005
- *Forbearance – Regulation of toll services provided by incumbent telephone companies*, Telecom Decision CRTC 97-19, 18 December 1997, as amended by Telecom Decision CRTC 97-19-1, 9 March 1998
- *Local competition*, Telecom Decision CRTC 97-8, 1 May 1997
- *Competition in the provision of public long distance voice telephone services and related resale and sharing issues*, Telecom Decision CRTC 92-12, 12 June 1992, as amended by Erratum 92-12-1, 28 August 1992